

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE ENROLLED ACT No. 1380

AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 4-10-23-5, AS ADDED BY P.L.233-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013 (RETROACTIVE)]: Sec. 5. As used in this chapter, "gross retail base period amount" means the aggregate amount of state gross retail and use taxes remitted under IC 6-2.5 by a taxpayer **during the full calendar year of 2012** with respect to its operations in a district. ~~during the full state fiscal year that precedes the date on which the commission adopts a resolution designating the district.~~

SECTION 2. IC 4-10-23-6, AS ADDED BY P.L.233-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013 (RETROACTIVE)]: Sec. 6. As used in this chapter, "gross retail incremental amount" means the remainder of:

- (1) the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by a taxpayer **during a calendar year** with respect to its operations in a district; ~~during a state fiscal year~~; minus
- (2) the gross retail base period amount.

SECTION 3. IC 4-10-23-7, AS ADDED BY P.L.233-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013 (RETROACTIVE)]: Sec. 7. As used in this chapter, "income tax base period amount" means the aggregate amount of state adjusted gross income taxes paid **or remitted** by or on behalf of a



taxpayer **during the calendar year of 2012** with respect to income earned or attributable to the taxpayer's activities in the district. ~~for the state fiscal year that precedes the date on which the commission adopts a resolution designating the district.~~

SECTION 4. IC 4-10-23-8, AS ADDED BY P.L.233-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013 (RETROACTIVE)]: Sec. 8. As used in this chapter, "income tax incremental amount" means the remainder of:

- (1) the aggregate amount of state adjusted gross income taxes paid **or remitted during a calendar year** with respect to income earned or attributable to the taxpayer's activities in the district; minus
- (2) the income tax base period amount.

SECTION 5. IC 4-10-23-10, AS ADDED BY P.L.233-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013 (RETROACTIVE)]: Sec. 10. (a) Before the first business day in October of each year, the department of state revenue shall calculate the income tax incremental amount and the gross retail incremental amount for the preceding ~~state fiscal~~ **calendar** year for the district.

(b) Businesses operating in the district shall report, in the manner and in the form prescribed by the department of state revenue, information that the department determines necessary to calculate incremental gross retail, use, and income taxes.

(c) It is the intent of this section to identify all sales, use, and income taxes of all taxpayers that are apportionable to the taxpayer's activities in the district. This section shall be broadly construed by the department of state revenue in order to achieve the purposes of IC 5-1-17.5.

SECTION 6. IC 4-10-23-11, AS ADDED BY P.L.233-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013 (RETROACTIVE)]: Sec. 11. Before the first business day in November of each year, the department of state revenue shall determine the sum of the following amounts for the preceding ~~state fiscal~~ **calendar** year for the district:

- (1) The income tax incremental amount.
- (2) The gross retail incremental amount.
- (3) The amount of admissions fees deposited in the state general fund under IC 6-8-14.

SECTION 7. IC 4-10-23-12, AS ADDED BY P.L.233-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013 (RETROACTIVE)]: Sec. 12. The department of state



revenue shall **annually** notify the Indiana finance authority, the commission, the budget agency, and the owner or owners of a qualified motorsports facility of **the sum of:**

- (1) the amount determined under section 11 of this chapter; and**
- (2) the amount reverted to the state general fund from the motorsports facility fund established under IC 5-1-17.5-30.5;**

which ~~amount~~ **sum** shall be credited to the obligations of the owner or owners of a qualified motorsports facility in accordance with the provisions of IC 5-1-17.5.

SECTION 8. IC 5-1-17.5-30.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013 (RETROACTIVE)]: **Sec. 30.5. (a) If a motorsports investment district is established under this chapter, the commission shall establish a motorsports facility fund for the motorsports investment district.**

- (b) During the term of the written agreement entered into by:**
 - (1) the owner or owners of the qualified motorsports facility;**
 - (2) the authority; and**
 - (3) the commission;**

the commission shall, in each state fiscal year, deposit in the motorsports facility fund two million dollars (\$2,000,000) solely from payments established under section 37(f)(1) of this chapter.

(c) Subject to subsection (d), the commission shall request that the general assembly make an appropriation to the commission in each state fiscal year in which the written agreement described in subsection (b) is in effect. The amount of the requested appropriation must be equal to the amount that the commission is required to deposit into the motorsports facility fund under subsection (b) for that state fiscal year. An appropriation made to the commission under this subsection:

- (1) must be deposited in the motorsports investment district fund established under section 30 of this chapter; and**
- (2) is in addition to an amount appropriated under section 30 of this chapter.**

(d) The commission may not request an appropriation under subsection (c) after the earlier of:

- (1) the date specified in section 30(c)(1) of this chapter; or**
- (2) the date specified in section 30(c)(2) of this chapter.**

(e) Money in the motorsports facility fund reverts to the state general fund on June 30 of each year.

SECTION 9. IC 5-1-17.5-37, AS ADDED BY P.L.233-2013, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



MAY 15, 2013 (RETROACTIVE)]: Sec. 37. (a) Subject to subsection (f), the authority may issue bonds for the purpose of obtaining money to pay the cost of improving, constructing, reconstructing, renovating, acquiring, or equipping improvements within a qualified motorsports facility.

(b) The terms and form of the bonds must be set out either in the resolution or in a form of trust indenture approved by the resolution.

(c) The bonds must mature within twenty (20) years.

(d) The authority shall sell the bonds at public or private sale upon the terms determined by the authority.

(e) All money received from any bonds issued under this chapter shall be applied to the payment of the cost of improving, constructing, reconstructing, renovating, acquiring, or equipping improvements within a qualified motorsports facility, or payment of the cost of refunding or refinancing outstanding bonds for which the bonds are issued. The cost may include:

(1) planning and development of the improvement and all buildings, facilities, structures, and improvements related to the improvement;

(2) acquisition of a site and clearing and preparing the site for construction;

(3) equipment, facilities, structures, and improvements that are necessary or desirable to make the capital improvement suitable for use and operations;

(4) architectural, engineering, consultant, and attorney's fees;

(5) incidental expenses in connection with the issuance and sale of bonds;

(6) reserves for principal and interest;

(7) interest during construction;

(8) financial advisory fees;

(9) insurance during construction;

(10) bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and

(11) in the case of refunding or refinancing, payment of the principal of, redemption premiums (if any) for, and interest on the bonds being refunded or refinanced.

(f) The authority may not issue bonds under this chapter unless:

(1) the owner or owners of the qualified motorsports facility, the authority, and the commission have entered into a written agreement concerning the terms of the financing of the improvements financed under this chapter, including the obligation of the owner or owners of the qualified motorsports



facility to make payments in an amount equal to at least two million dollars (\$2,000,000) in each state fiscal year to the commission for deposit in the motorsports ~~investment~~ **facility** fund during the term of the agreement;

(2) in connection with the issuance of such bonds, the authority has leased the equipment, structures, and capital improvements being financed with the proceeds of the bonds to the commission under a lease under section 32 of this chapter, and the commission has entered into a sublease of such equipment, structures, and capital improvements with the owner or owners of the qualified motorsports facility. Such a sublease must include the terms described in sections 34(c) and 36(c) of this chapter; and

(3) as part of the written agreement concerning the terms of the financing of the improvements, the ultimate parent company of the qualified motorsports facility:

(A) guarantees the full and timely performance of all of the duties, responsibilities, and obligations of the qualified motorsports facility and the owner or owners of the qualified motorsports facility; and

(B) guarantees that if:

(i) the aggregate amount credited to the owner or owners of the qualified motorsports facility under IC 4-10-23-12 from income tax incremental amounts, gross retail incremental amounts, and admissions fees deposited in the state general fund under IC 6-8-14 during the thirty (30) years after the date of the adoption of the resolution establishing the motorsports improvement district; **plus**

(ii) **the amounts deposited in the motorsports facility fund established under section 30.5 of this chapter;**

is less than the aggregate of the amount of money appropriated to the commission and used to pay rent by the commission to the authority under any lease entered into between the authority and the commission under this chapter and any expenses that are incurred by the authority or the commission under this chapter and are not paid out of such rent, then the ultimate parent company will pay the difference to the commission.

(g) Each bond issued under this chapter must contain on its face a statement that neither the faith and credit nor the taxing power of the state is pledged to the payment of the principal of or the interest on the bond.

(h) In connection with the issuance of each series of bonds under



this section, the authority (or its successor agency) and the public finance director shall be responsible for selecting all investment bankers, bond counsel, trustees, and financial advisors.

SECTION 10. IC 5-22-5-8, AS AMENDED BY P.L.148-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 8. (a) This section does not apply to a political subdivision, except a school corporation (as defined in IC 20-18-2-16(a)).

(b) As used in this section, "blended biodiesel" ~~has the meaning set forth in IC 6-3-1-27-2.~~ **refers to a blend of biodiesel with petroleum diesel so that the percentage of biodiesel in the blend is at least two percent (2%) (B2 or greater). The term does not include biodiesel (B100).**

(c) As used in this section, "diesel fueled vehicle" refers to a vehicle that is capable of using diesel to fuel its primary motor.

(d) As used in this section, "ethanol" means agriculturally derived ethyl alcohol.

(e) As used in this section, "E85" has the meaning set forth in IC 6-6-1.1-103.

(f) As used in this section, "gasoline fueled vehicle" refers to a vehicle that is capable of using gasoline to fuel its primary motor.

(g) As used in this section "mid-level blend fuel" means a fuel blend consisting of:

- (1) at least twenty percent (20%) but not more than seventy-three percent (73%) ethanol; and
- (2) gasoline as the balance.

(h) As used in this section, "vehicle" includes the following:

- (1) An automobile.
- (2) A truck.
- (3) A tractor.

(i) Except as provided by subsections (k) and (l), a governmental body shall whenever possible purchase mid-level blend fuel or E85 to fuel the gasoline fueled vehicles owned or operated by the governmental body.

(j) Except as provided by subsections (k) and (l), a governmental body shall whenever possible purchase blended biodiesel fuel to fuel the diesel fueled vehicles owned or operated by the governmental body.

(k) The following vehicles are exempt from the requirements of subsections (i) and (j):

- (1) A vehicle that is leased by the governmental body for thirty (30) days or less.
- (2) A vehicle that:



- (A) is primarily powered by an electric motor; or
- (B) can use only propane, compressed or liquified natural gas, or methanol as its fuel source.

(l) The following vehicles are exempt from the requirements of subsection (i) or (j), whichever is appropriate:

- (1) A gasoline fueled vehicle in which the use of mid-level blend fuel or E85 has not been approved by the manufacturer.
- (2) A diesel fueled vehicle in which the use of blended biodiesel fuel has not been approved by the manufacturer.
- (3) A gasoline fueled vehicle in which the use of mid-level blend fuel is prohibited by the federal Clean Air Act (42 U.S.C. 7401 et seq.).

SECTION 11. IC 5-28-6-3 IS REPEALED [EFFECTIVE JANUARY 1, 2015]. Sec. 3: (a) The general assembly declares that the opportunity for the participation of underutilized small businesses, especially women and minority business enterprises, in the biodiesel and ethanol production industries is essential if social and economic parity is to be obtained by women and minority business persons and if the economy of Indiana is to be stimulated as contemplated by this section; IC 6-3.1-27; and IC 6-3.1-28. A recipient of a credit under this chapter is encouraged to purchase goods and services from underutilized small businesses, especially women and minority business enterprises.

(b) The definitions in IC 6-3.1-27 and IC 6-3.1-28 apply throughout this section. A term used in this section that is defined in both IC 6-3.1-27 and IC 6-3.1-28 refers to the term as defined in:

- (1) IC 6-3.1-27 whenever this section applies to the certification of a person for a credit under IC 6-3.1-27; and
- (2) IC 6-3.1-28 whenever this section applies to the certification of a person for a credit under IC 6-3.1-28.

In addition, as used in this section, "person" refers to a taxpayer or a pass through entity.

(c) As used in this section, "minority" means a member of a minority group (as defined in IC 4-13-16.5-1).

(d) As used in this section, "minority business enterprise" has the meaning set forth in IC 4-13-16.5-1.

(e) As used in this section, "women's business enterprise" has the meaning set forth in IC 4-13-16.5-1.3.

(f) A person that:

- (1) begins construction of a facility or an expansion of a facility for the production of biodiesel, blended biodiesel, or ethanol in Indiana after February 28, 2005; and



(2) wishes to claim a tax credit with respect to that facility or the expansion of a facility under any combination of IC 6-3.1-27-8; IC 6-3.1-27-9; or IC 6-3.1-28-7;

must apply to the corporation for a determination of the person's eligibility for the tax credit.

(g) Subject to this section, the corporation shall issue to each qualifying applicant a certification that:

(1) certifies the person as eligible for the tax credits for which the person applied;

(2) identifies the facilities covered by the certification; and

(3) allocates to the person a credit under IC 6-3.1-27-8; IC 6-3.1-27-9; or IC 6-3.1-28-11.

(h) To qualify for certification under subsection (g), a person must do the following:

(1) Submit an application for the credit on the forms and in the manner prescribed by the corporation for the credit that is the subject of the application.

(2) Demonstrate through a business plan and other information presented to the corporation that the level of production proposed by the person is feasible and economically viable. In making a determination under this subdivision, the corporation shall consider:

(A) whether the person is sufficiently capitalized to complete the project;

(B) the person's credit rating;

(C) whether the person has sufficient technical expertise to build and operate a facility; and

(D) other relevant financial information as determined by the corporation.

(i) The corporation shall record the time of filing of each application submitted under this section. The corporation shall grant certifications under this section to qualifying applicants in the chronological order in which the applications for the same type of credit are filed until the maximum allowable credit for that type of credit is fully allocated.

(j) The corporation may terminate a certification or reduce an allocation of a credit granted under this section only if the corporation determines, after a hearing, that the person granted the certification or allocation has failed to:

(1) substantially comply with the business plan that is the basis for the certification or allocation; or

(2) submit the information needed by the corporation to determine whether the person has substantially complied with the business



plan that is the basis of the certification or allocation.

If an allocation of a credit is terminated or reduced, the unused credit becomes available for allocation to other qualifying applicants in the chronological order in which the applications for the same type of credit are filed until the maximum allowable credit for that type of credit is fully allocated. The corporation may approve an amendment to a business plan or a transfer of a certificate of eligibility in conformity with the terms and conditions specified by the corporation in rules adopted by the corporation under IC 4-22-2.

(k) The corporation shall give the department of state revenue written notice of each action taken under this section.

SECTION 12. IC 5-28-28-4, AS AMENDED BY P.L.288-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 4. As used in this chapter, "tax credit" means a state tax liability credit under any of the following:

- (1) IC 6-3.1-7.
- (2) IC 6-3.1-13.
- (3) IC 6-3.1-26.
- ~~(4) IC 6-3.1-27.~~
- ~~(5) IC 6-3.1-28.~~
- ~~(6) (4) IC 6-3.1-30.~~
- ~~(7) (5) IC 6-3.1-31.9.~~
- ~~(8) IC 6-3.1-33.~~

SECTION 13. IC 6-3-2-2.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: Sec. 2.1. (a) This section applies only to taxable years beginning after December 31, 2013.

(b) The following definitions apply throughout this section:

- (1) "Qualified logistics services" means the provision of the warehousing, management, distribution, transportation, or other services on behalf of an unrelated party with respect to, but without taking title to, the qualified property of the unrelated party.
- (2) "Qualified property" means legend drugs (as defined in IC 16-18-2-199), devices (as defined in IC 16-18-2-94), or medical supplies.
- (3) "Qualified third party logistics provider" means an entity that:
 - (A) is licensed under IC 25-26-14;
 - (B) is certified by the Indiana economic development corporation under subsection (d); and
 - (C) provides qualified logistics services.



(4) "Unrelated party" means an entity that, with respect to a qualified third party logistics provider:

(A) is not a member of the same affiliated group within the meaning of IC 6-3-2-20(a)(1);

(B) is not related within the meaning of Section 267 of the Internal Revenue Code; and

(C) is not related within the meaning of Section 707(b) of the Internal Revenue Code.

(c) Notwithstanding any other provision of this article, with respect to an entity that has contracted with a qualified third party logistics provider for qualified logistics services, the:

(1) ownership or leasing by that entity of tangible or intangible property located at the Indiana premises of the qualified third party logistics provider;

(2) sale by that entity of qualified property shipped or distributed from the Indiana premises of the qualified third party logistics provider;

(3) activities of any kind performed by or on behalf of that entity at the Indiana premises of the qualified third party logistics provider; and

(4) activities performed by the qualified third party logistics provider in Indiana for or on behalf of that entity;

shall not cause that entity to have adjusted gross income derived from sources within Indiana for purposes of the taxes imposed by this chapter, unless that entity engages in other activities in Indiana away from the premises of the qualified third party logistics provider that exceed the protection of 15 U.S.C. 381.

(d) The Indiana economic development corporation shall develop and administer a program through which it certifies logistics providers as qualified third party logistics providers.

(e) This section expires January 1, 2016.

SECTION 14. IC 6-3.1-1-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4. Except as otherwise expressly provided, a taxpayer may carry forward any unused tax credit from a prior taxable year to a taxable year that begins after the repeal of the statute that provided the tax credit. However, any limits on:

(1) the amount carried forward; or

(2) the number of years to which an unused tax credit may be carried forward;

apply to any part of a tax credit carried forward under this section as if the statute allowing the unused tax credit to be carried



forward had not been repealed.

SECTION 15. IC 6-3.1-1-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 5. (a) As used in this section, "qualified taxpayer" means a taxpayer whose proposed costs to build or refurbish a riverboat are certified before January 1, 2015, as qualified investments under IC 6-3.1-17 (before its repeal) by the Indiana economic development corporation.**

(b) A qualified taxpayer may claim a tax credit for the taxable year in which the qualified investment described in subsection (a) is made regardless of whether the qualified investment is made in a taxable year beginning after December 31, 2014, as if IC 6-3.1-17 had not been repealed.

(c) To receive the credit allowed under this section, a qualified taxpayer must claim the credit on the qualified taxpayer's state tax return or returns in the manner prescribed by the department. The qualified taxpayer shall submit to the department the certification of credit by the Indiana economic development corporation, proof of payment of the certified qualified investment, and all information that the department determines is necessary for the calculation of the credit provided under IC 6-3.1-17 (before its repeal) and for the determination of whether an investment cost is a qualified investment cost.

(d) The amount of tax credits allowed under this section may not exceed one million dollars (\$1,000,000) in a state fiscal year.

(e) The department shall record the time of filing of each application for allowance of a credit under subsection (c) and shall approve the applications, if they otherwise qualify for a tax credit under IC 6-3.1-17 (before its repeal), in the chronological order in which the applications are filed in the state fiscal year.

(f) When the total credits approved under this section equal the maximum amount allowable in a state fiscal year, no application thereafter filed for that same fiscal year shall be approved. However, if an applicant for whom a credit has been approved fails to file the statement of proof of payment required under subsection (c), an amount equal to the credit previously allowed or set aside for the applicant may be allowed to any subsequent applicant in the year. In addition, the department may, if the applicant so requests, approve a credit application, in whole or in part, with respect to the next succeeding state fiscal year.

SECTION 16. IC 6-3.1-6 IS REPEALED [EFFECTIVE JANUARY 1, 2015]. (Prison Investment Credits).



SECTION 17. IC 6-3.1-17 IS REPEALED [EFFECTIVE JANUARY 1, 2015]. (Indiana Riverboat Building Credit).

SECTION 18. IC 6-3.1-23 IS REPEALED [EFFECTIVE JANUARY 1, 2015]. (Voluntary Remediation Tax Credit).

SECTION 19. IC 6-3.1-27 IS REPEALED [EFFECTIVE JANUARY 1, 2015]. (Blended Biodiesel Tax Credits).

SECTION 20. IC 6-3.1-28 IS REPEALED [EFFECTIVE JANUARY 1, 2015]. (Ethanol Production Tax Credit).

SECTION 21. IC 6-3.1-31.5 IS REPEALED [EFFECTIVE JULY 1, 2014]. (Energy Savings Tax Credit).

SECTION 22. IC 6-3.1-33 IS REPEALED [EFFECTIVE JANUARY 1, 2015]. (New Employer Tax Credit).

SECTION 23. IC 6-3.5-7-8.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 8.1. (a) This section applies to a taxable year beginning after December 31, 2014.**

(b) Except as provided in subsection (c), if for a particular taxable year a county taxpayer is liable for an income tax imposed by a county, city, town, or other local governmental entity located outside Indiana, that county taxpayer is entitled to a credit against the county taxpayer's county economic development income tax liability for that same taxable year. The amount of the credit equals the amount of tax imposed by the other governmental entity on income derived from sources outside Indiana and subject to the county economic development income tax. However, the credit provided by this section may not reduce a county taxpayer's economic development income tax liability to an amount less than would have been owed if the income subject to taxation by the other governmental entity had been ignored.

(c) The credit provided by this section does not apply to a county taxpayer to the extent that the other governmental entity described in subsection (b) provides for a credit to the taxpayer for the amount of county economic development income taxes owed under this chapter.

(d) To claim the credit provided by this section, a county taxpayer must provide the department with satisfactory evidence that the county taxpayer is entitled to the credit.

SECTION 24. IC 6-6-2.5-28, AS AMENDED BY P.L.277-2013, SECTION 10, AND AS AMENDED BY P.L.158-2013, SECTION 95, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 28. (a) A license tax of sixteen cents (\$0.16) per:**



- (1) gallon;
- (2) diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)), in the case of a special fuel that is liquid natural gas; or
- (3) gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)), in the case of a special fuel that is compressed natural gas; ~~or a fuel commonly or commercially known or sold as butane or propane;~~

is imposed on all special fuel sold or used in producing or generating power for propelling motor vehicles except fuel used under section 30(a)(8) or 30.5 of this chapter. The tax shall be paid at those times, in the manner, and by those persons specified in this section and section 35 of this chapter.

(b) The department shall consider it a rebuttable presumption that all undyed or unmarked special fuel, or both, received in Indiana is to be sold for use in propelling motor vehicles.

(c) Except as provided in subsection (d), the tax imposed on special fuel by subsection (a) shall be measured by invoiced gallons *(or diesel or gasoline gallon equivalents in the case of a special fuel described in subsection (a)(2) or (a)(3))* of nonexempt special fuel received by a licensed supplier in Indiana for sale or resale in Indiana or with respect to special fuel subject to a tax precollection agreement under section 35(d) of this chapter, such special fuel removed by a licensed supplier from a terminal outside of Indiana for sale for export or for export to Indiana and in any case shall generally be determined in the same manner as the tax imposed by Section 4081 of the Internal Revenue Code and Code of Federal Regulations.

(d) The tax imposed by subsection (a) on special fuel imported into Indiana, other than into a terminal, is imposed at the time the product is entered into Indiana and shall be measured by invoiced gallons received at a terminal or at a bulk plant.

(e) In computing the tax, all special fuel in process of transfer from tank steamers at boat terminal transfers and held in storage pending wholesale bulk distribution by land transportation, or in tanks and equipment used in receiving and storing special fuel from interstate pipelines pending wholesale bulk reshipment, shall not be subject to tax.

(f) The department shall consider it a rebuttable presumption that special fuel consumed in a motor vehicle plated for general highway use is subject to the tax imposed under this chapter. A person claiming exempt use of special fuel in such a vehicle must maintain adequate records as required by the department to document the vehicle's taxable and exempt use.

(g) A person that engages in blending fuel for taxable sale or use in



Indiana is primarily liable for the collection and remittance of the tax imposed under subsection (a). The person shall remit the tax due in conjunction with the filing of a monthly report in the form prescribed by the department.

(h) A person that receives special fuel that has been blended for taxable sale or use in Indiana is secondarily liable to the state for the tax imposed under subsection (a).

(i) A person may not use special fuel on an Indiana public highway if the special fuel contains a sulfur content that exceeds five one-hundredths of one percent (0.05%). A person who knowingly:

- (1) violates; or
- (2) aids or abets another person to violate;

this subsection commits a Class A infraction. However, the violation is a Class A misdemeanor if the person has committed one (1) prior unrelated violation of this subsection, and a ~~Class B~~ Level 6 felony if the person has committed more than one (1) unrelated violation of this subsection.

SECTION 25. IC 6-8.1-4-4, AS AMENDED BY P.L.176-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4. (a) The department shall establish a registration center to service owners of commercial motor vehicles.

(b) The registration center is under the supervision of the department through the motor carrier services division.

(c) An owner or operator of a commercial motor vehicle may apply to the registration center for the following:

- (1) Vehicle registration (IC 9-18).
- (2) Motor carrier fuel tax annual permit.
- (3) Proportional use credit certificate (IC 6-6-4.1-4.7).
- (4) Certificate of operating authority.
- (5) Oversize vehicle permit (IC 9-20-3).
- (6) Overweight vehicle permit (IC 9-20-4).
- (7) Payment of the commercial vehicle excise tax imposed under IC 6-6-5.5.

(d) The commissioner may deny an application described in subsection (c) if the applicant fails to do any of the following with respect to a listed tax:

- (1) File all tax returns or information reports.
- (2) Pay all taxes, penalties, and interest.

(e) The commissioner may:

- (1) deny an application for an oversize vehicle permit, an overweight vehicle permit, or a single oversize-overweight permit; or**



(2) suspend any permit issued to a person; if the applicant or permit holder is delinquent in paying escort fees to the state police department.

~~(e)~~ **(f)** The commissioner may suspend or revoke any registration, permit, certificate, or authority if the person to whom the registration, permit, certificate, or authority is issued fails to do any of the following with respect to a listed tax:

- (1) File all tax returns or information reports.
- (2) Pay all taxes, penalties, and interest.

~~(f)~~ **(g)** Funding for the development and operation of the registration center shall be taken from the motor carrier regulation fund (IC 8-2.1-23-1).

~~(g)~~ **(h)** The department shall recommend to the general assembly other functions that the registration center may perform.

SECTION 26. IC 6-8.1-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 1. (a) **This subsection does not apply to a person's Indiana adjusted gross income tax return or a person's financial institutions tax return.** If a person responsible for filing a tax return is unable to file the return by the appropriate due date, ~~he the person~~ may petition the department, before that due date, for a filing extension. ~~The person must include with the petition a payment of at least ninety percent (90%) of the tax that is reasonably expected to be due on the due date.~~ When the department receives the petition, ~~and the payment,~~ the department shall grant the person a sixty (60) day extension.

(b) If a person responsible for filing a tax return has received an extension of the due date and is still unable to file the return by the extended due date, ~~he the person~~ may petition the department for another extension. The person must include in the petition a statement of the reasons for ~~his the person's~~ inability to file the return by the due date. If the department finds that the person's petition is proper and that the person has good cause for requesting the extension, the department may extend the person's due date for any period that the department deems reasonable under the circumstances. The department may allow additional, successive extensions if the person properly petitions for the extension before the end of ~~his the person's~~ current extension period.

(c) **The following apply only to a person's Indiana adjusted gross income tax return or a person's financial institutions tax return:**

- (1)** If the Internal Revenue Service allows a person an extension on ~~his the person's~~ federal income tax return, the corresponding due dates for the person's Indiana income tax returns are



automatically extended for the same period as the federal extension, plus thirty (30) days.

(2) If a person petitions the department for a filing extension for the person's Indiana adjusted gross income tax return or financial institutions tax return without obtaining an extension for filing the person's federal income tax return, the department shall extend the person's due date for the person's Indiana adjusted gross income tax return or financial institutions tax return for the same period that the person would have been allowed under subdivision (1) if the person had been granted an extension by the Internal Revenue Service.

(d) A person submitting a petition for an extension under this section is not required to include any payment of tax with the petition. However, ~~the~~ a person **obtaining an extension under this section** must pay at least ninety percent (90%) of the ~~Indiana income~~ tax that is reasonably expected to be due on the original due date by that due date, or ~~he~~ **the person** may be subject to the penalties imposed for failure to pay the tax.

~~(d)~~ **(e)** Any tax that remains unpaid during an extension period accrues interest at a rate established under IC 6-8.1-10-1 from the original due date, but that tax will not accrue any late payment penalties until the extension period has ended. **Any penalties must be determined based on the amount of tax not paid on or before the end of the extension period after application of payments provided under IC 6-8.1-8-1.5 and determined as of the deadline of the extension period.**

SECTION 27. IC 6-9-2-4, AS AMENDED BY P.L.172-2011, SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4. (a) The bureau may:

- (1) accept and use gifts, grants, and contributions from any public or private source, under terms and conditions that the bureau considers necessary and desirable;
- (2) sue and be sued;
- (3) enter into contracts and agreements;
- (4) make rules necessary for the conduct of its business and the accomplishment of its purposes;
- (5) receive and approve, alter, or reject requests and proposals for funding by corporations qualified under subdivision (6);
- (6) after its approval of a proposal, transfer money from any fund established by the bureau, the promotion fund, or the alternate revenue fund to any Indiana nonprofit corporation to promote and



encourage conventions, trade shows, visitors, or special events in the county;

(7) require financial or other reports from any corporation that receives funds under this chapter;

(8) enter into leases under IC 36-1-10 for the construction, acquisition, and equipping of a visitor center; and

(9) exercise the power of eminent domain to acquire property to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county.

(b) All expenses of the bureau shall be paid from funds established by the bureau. Before December 20 of each year, the bureau shall prepare a budget for expenditures during the following year, taking into consideration the recommendations made by a corporation qualified under subsection (a)(6) A budget prepared under this section must be:

(1) submitted to the department of local government finance;

(2) **published on the department's interactive and searchable Internet web site containing local government information (the Indiana gateway for governmental units);** and

(3) placed on file with the county auditor.

(c) All money in the bureau's funds shall be deposited, held, secured, invested, and paid in accordance with statutes relating to the handling of public funds. The handling and expenditure of money in the bureau's funds are subject to audit and supervision by the state board of accounts.

SECTION 28. IC 6-9-2.5-7.5, AS AMENDED BY P.L.176-2009, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7.5. (a) The county treasurer shall establish a tourism capital improvement fund.

(b) The county treasurer shall deposit money in the tourism capital improvement fund as follows:

(1) Before January 1, ~~2015~~, **2020**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a three and one-half percent (3.5%) rate.

(2) After December 31, ~~2014~~, **2019**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a four and one-half percent (4.5%) rate.

(c) The commission may transfer money in the tourism capital improvement fund to:

(1) the county government, a city government, or a separate body corporate and politic in a county described in section 1 of this



chapter; or

(2) any Indiana nonprofit corporation;

for the purpose of making capital improvements in the county that promote conventions, tourism, or recreation. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section.

SECTION 29. IC 6-9-2.5-7.7, AS AMENDED BY P.L.176-2009, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7.7. (a) The county treasurer shall establish a convention center operating fund.

(b) Before January 1, ~~2015~~, **2020**, the county treasurer shall deposit in the convention center operating fund the amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate. Money in the fund must be expended for the operating expenses of a convention center.

(c) After December 31, ~~2014~~, **2019**, the county treasurer shall deposit in the convention center operating fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate. Money in the fund must be expended for the operating expenses of a convention center with the unused balance transferred on January 1 of each year to the tourism capital improvement fund.

SECTION 30. IC 8-22-1-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4.5. (a) "Aviation related property or facilities" means those properties or facilities that are utilized by a lessee, or a lessee's assigns, who provides services or accommodations:

- (1) for scheduled or unscheduled air carriers and air taxis, and their passengers, air cargo operations, and related ground transportation facilities;
- (2) for fixed based operations;
- (3) for general aviation or military users; and
- (4) as aviation **manufacturing, assembly, research and development, or** maintenance and repair facilities.

(b) The term includes any property leased to the United States, or its agencies or instrumentalities, and any leased property identified as clear zones, ~~aviation~~ **aviation** easements, safety and transition areas, as defined by the Federal Aviation Administration.

SECTION 31. IC 9-29-5-42, AS AMENDED BY P.L.107-2008, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 42. (a) Except as provided in subsection ~~(c)~~, **(d)**, vehicles not subject to IC 9-18-2-8 or IC 9-18-2-8.5 shall be



registered at one-half (1/2) of the regular rate, subject to IC 9-18-2-7, if the vehicle is registered after July 31 of any year. This subsection does not apply to the following:

- (1) Special machinery.
- (2) Semitrailers registered on a five (5) year or permanent basis under IC 9-18-10-2.
- (3) An implement of agriculture designed to be operated primarily on a highway.

(b) Except as provided in subsection ~~(c)~~, (d), subsection (a), and IC 9-18-2-7 determine the registration fee for the registration of a vehicle subject to registration under IC 9-18-2-8(c) and acquired by an owner subsequent to the date required for the annual registration of vehicles by an owner set forth in IC 9-18-2-8.

(c) Except as provided in subsections (d) and (e), if the department of state revenue adopts rules under IC 9-18-2-7 to implement staggered registration, the department of state revenue shall collect the full annual fee for vehicles in a commercial fleet registering with the department of state revenue, regardless of the date the vehicle is registered. Any vehicles registered with the department of state revenue under this subsection after the date designated for registration shall be registered at a rate determined in STEP THREE of subsection (e).

~~(c)~~ (d) Subject to subsection ~~(d)~~, (e), a vehicle subject to the International Registration Plan that is registered after September 30 shall be registered at a rate determined by the following formula:

STEP ONE: Determine the number of months before April 1 of the following year beginning with the date of registration. A partial month shall be rounded to one (1) month.

STEP TWO: Multiply the STEP ONE result by one-twelfth (1/12).

STEP THREE: Multiply the annual registration fee for the vehicle by the STEP TWO result.

~~(d)~~ (e) If the department of state revenue adopts rules under IC 9-18-2-7 to implement staggered registration for motor vehicles subject to the International Registration Plan, a motor vehicle subject to the International Registration Plan that is registered after the date designated for registration of the motor vehicle in rules adopted under IC 9-18-2-7 shall be registered at a rate determined by the following formula:

STEP ONE: Determine the number of months before the motor vehicle must be re-registered. A partial month shall be rounded to one (1) month.



STEP TWO: Multiply the STEP ONE result by one-twelfth (1/12).

STEP THREE: Multiply the annual registration fee for the vehicle by the STEP TWO result.

~~(e)~~ **(f)** A school bus subject to registration under IC 9-18-2-8.5 that is registered after January 31 for the prior calendar year shall be registered at one-half (1/2) the regular rate.

SECTION 32. IC 21-31-9-3, AS ADDED BY P.L.148-2009, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 3. (a) As used in this section, "blended biodiesel" ~~has the meaning set forth in IC 6-3-1-27-2;~~ **refers to a blend of biodiesel with petroleum diesel so that the percentage of biodiesel in the blend is at least two percent (2%) (B2 or greater). The term does not include biodiesel (B100).**

(b) As used in this section, "diesel fueled vehicle" refers to a vehicle that is capable of using diesel to fuel its primary motor.

(c) As used in this section, "ethanol" means agriculturally derived ethyl alcohol.

(d) As used in this section, "E85" has the meaning set forth in IC 6-6-1.1-103.

(e) As used in this section, "gasoline fueled vehicle" refers to a vehicle that is capable of using gasoline to fuel its primary motor.

(f) As used in this section, "mid-level blend fuel" means a fuel blend consisting of:

- (1) at least twenty percent (20%) but not more than seventy-three percent (73%) ethanol; and
- (2) gasoline as the balance.

(g) As used in this section, "vehicle" includes the following:

- (1) An automobile.
- (2) A truck.
- (3) A tractor.

(h) Except as provided by subsections (j) and (k), a state educational institution shall whenever possible purchase mid-level blend fuel or E85 to fuel the gasoline fueled vehicles owned or operated by the state educational institution.

(i) Except as provided by subsections (j) and (k), a state educational institution shall whenever possible purchase blended biodiesel fuel to fuel the diesel fueled vehicles owned or operated by the state educational institution.

(j) The following vehicles are exempt from the requirements of subsections (h) and (i):

- (1) A vehicle that is leased by the state educational institution for



thirty (30) days or less.

(2) A vehicle that:

(A) is primarily powered by an electric motor; or

(B) can use only propane, compressed or liquified natural gas, or methanol as its fuel source.

(k) The following vehicles are exempt from the requirements of subsection (h) or (i), whichever is appropriate:

(1) A gasoline fueled vehicle in which the use of mid-level blend fuel or E85 has not been approved by the manufacturer.

(2) A diesel fueled vehicle in which the use of blended biodiesel fuel has not been approved by the manufacturer.

(3) A gasoline fueled vehicle in which the use of mid-level blend fuel is prohibited by the federal Clean Air Act (42 U.S.C. 7401 et seq.).

SECTION 33. [EFFECTIVE JULY 1, 2014] (a) This SECTION applies only to Washington Township in Hamilton County.

(b) The department of local government finance shall increase the 2015 maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 for Washington Township in Hamilton County by the lesser of the following amounts:

(1) The amount determined by recalculating the 2015 maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 for Washington Township in Hamilton County by using the 2007 maximum permissible ad valorem property tax levy for the township and then increasing the 2007 maximum permissible ad valorem property tax levy by applying the cumulative effect of using the assessed value growth quotient applicable to the township for each year during the period 2008 through 2015.

(2) Eighty-five thousand dollars (\$85,000).

(c) The 2015 maximum permissible ad valorem property tax levy for Washington Township in Hamilton County, as increased under this SECTION, shall also be used as the township's previous year maximum permissible ad valorem property tax levy for the determination under IC 6-1.1-18.5 of the township's 2016 maximum permissible ad valorem property tax levy.

(d) This SECTION expires January 1, 2017.

SECTION 34. [EFFECTIVE JULY 1, 2014] (a) IC 8-22-1-4.5, as amended by this act, applies to property taxes imposed for an assessment date after December 31, 2014.

(b) This SECTION expires January 1, 2017.

SECTION 35. [EFFECTIVE JULY 1, 2014] (a) The legislative



council is urged to assign the following topics for study during the 2014 legislative interim:

- (1) Whether the proceeds of the sale of a major county asset should be held in a nonreverting trust fund of the county such that the principal of the fund is never diminished.
- (2) The issue of how to define the term "major county asset".
- (3) Permissible uses of the interest of a trust fund described in subdivision (1).

(b) This SECTION expires December 31, 2014.

SECTION 36. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "office of the secretary" refers to the office of the secretary of family and social services established by IC 12-8-1.5-1.

(b) As used in this SECTION, "government assistance income" means the sum of the value of all:

- (1) cash;
- (2) free services; or
- (3) savings from reduced fees;

received by an Indiana resident whose income does not exceed two hundred percent (200%) of the federal income poverty level.

(c) Before November 1, 2014, the office of the secretary shall study the following:

- (1) The tax relief available for Indiana residents whose incomes do not exceed two hundred percent (200%) of the federal income poverty level.
- (2) The availability of programs that provide financial or medical assistance to Indiana residents whose incomes do not exceed two hundred percent (200%) of the federal income poverty level, including:
 - (A) Medicaid;
 - (B) Temporary Assistance for Needy Families;
 - (C) supplemental nutrition assistance; or
 - (D) any other federal, state, or local financial or medical assistance available to Indiana residents whose incomes do not exceed two hundred percent (200%) of the federal income poverty level.
- (3) The maximum government assistance income an individual could receive by pursuing and obtaining the benefits described in subdivisions (1) and (2).

(d) The office of the secretary shall submit a report of its findings not later than November 1, 2014, to the governor and the legislative council. The report to the legislative council must be in an electronic format under IC 5-14-6. The report must include a



detailed explanation of the calculation assumptions and methodology.

(e) This SECTION expires January 1, 2015.

SECTION 37. An emergency is declared for this act.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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